United States Department of State

Washington, D.C. 20520

July 3, 1985

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11 JUL 1985

Dear Bill,

Yesterday morning Secretary Shultz called and asked me to write down my personal views on what the recent Soviet leadership changes mean for the US.

Attached is a copy of what I sent him last night. I am sending another copy of this to Fritz Ermarth, asking for his comments. If you have any comments after you read this please call me or pass them on to Fritz.

Sincerely,

E. Rowny

Encl.

The Honorable
William Casey
Director, CIA
Washington, DC 20505

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C-140

United States Department of State

Washington, D. C. 20520

July 2, 1985

INFORMATION MEMORANDUM
S/S

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TO: The Secretary

FROM: S/ART - E. Rowny

SUBJECT: Recent Soviet Leadership Changes

You called me this morning to ask my views on what the recent Soviet leadership changes mean for the US.

My hypothesis is that the Soviets will for the immediate future concentrate on getting their internal house in order. Their assessment that the correlation of forces is currently moving in their favor buys them time, at least in their eyes. What this means is that we can expect the Soviets to move slowly on arms control, continuing to drive wedges between us and NATO Europe, using SDI as the issue. They will make veiled threats of walking out of Geneva, but will not do so unless they can shift the blame to the US.

I believe the Soviets will step up their rhetorical and economic support of the Third World, all the while avoiding the use of their own military force.

To support my hypothesis, I note that the Soviet Union has become the sick man of the industrial world. Its rate of real economic growth has steadily decelerated and is now below that of many Third World countries. Corruption and black-marketeering in the USSR is a way of life. There is increasing unrest among Soviet nationalities. Alcoholism is a national disease and longevity is declining. The country is mired in a war in Afghanistan. This general state of deterioration had already reached such a low point by the mid-1970s that intellectuals like Sakharov and Amalrik were wondering if the USSR could make it to 1984.

The leadership changes we are seeing in the Soviet Union confirms that it could not long survive without internal reform. Gorbachev is a consensus leader who was brought in because the collective leadership knew it needed new blood in order to survive. Almost immediately after coming to power Gorbachev initiated a major reshuffle

in the Kremlin's top leadership by promoting three of his closest political allies, Viktor Chebrikov, Yegor Ligachev and Nikolai Ryzhkov to full membership in the Politburo. All three were associated with anticorruption, labor organization and economics. Ryzhkov, for example, had been head of the Central Committee's new Economics Department and was heavily involved in changing central planning and management. Gorbachev made absolutely clear what he was doing. While he forecast sweeping changes in the Soviet economy, he has been able to do no more than try to improve efficiency. Nevertheless, he put his new people on notice that the "fate of the country and the position of socialism in the world" depended on them. In the meantime, he said there would be continuity in foreign affairs.

The additional Politburo changes of the last two days, the outster of Grigory Romanov and the elevation of Eduard Shevardnadze confirm that Gorbachev is moving toward domestic reform. Romanov was responsible for defense and the heavy machine industry. His forced retirement removes an important obstacle in Gorbachev's path and reflects dissatisfaction with industrial stagnation.

Shevardnadze, the new Foreign Minister, has no foreign policy experience. Rather, he has been involved in anti-corruption, law enforcement and Party work in his native Georgia. Just another "yes man," he has mouthed Gorbachev's calls for economic efficiency and the need for new technology.

The two members who were added to the Party secretariat (Lev Zaykov and Boris Yeltsin) have backgrounds in industrial management. Accordingly, both will be critical in the coming shift from mere efficiency reform to basic reform. Zaykov is particularly worth watching because he may ultimately take over Romanov's defense industry portfolio.

Gromyko's elevation to the Presidency does not mean he is "up and out." While being placed in a largely ceremonial role, Gromyko can be expected to continue to have some influence over foreign policy. Because of his ability and long service, Gromyko has cultivated an enormous patronage over the last thirty years years of persons who will continue to take his lead. For a while, Gorbachev will lean on Gromyko, particularly since Shevardnadze is inexperienced as Foreign Minister and since Gorbachev himself is less than fully confident in foreign affairs. He may send Gromyko to the 40th Anniversary of the United Nations and may also use him at the November summit. In this latter role, Gromyko may be the "heavy" who will use strident language and invective allowing Gorbachev to be the "reasonable"

conciliator. But the new leadership will, within two or three years move to retire Gromyko, the last of Stalin's men. Thus, the hourglass is running out on Gromyko. In the meantime, Gorbachev will probably use Gromyko to harp on the foreign threat. This will help divert domestic attention from the Soviet Union's own woes and help the collective leadership preserve its own legitimacy.

Gorbachev will soon be forced to walk a tightrope. Improvements in efficiency and belt-tightening will only take him so far. No other leader has made it all the way across that tightrope. However, if he can make it across, and make major structural economic reforms, the US may well be forced by the turn of the century to deal with a revitalized and more dynamic rival.

Attachment
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Drafted:S/ART:E.Rowny
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Gorbachev's First Hundred Days

In Greek mythology, Hephaestus was the god of fire and metalworking. However, he was not a perfect god in that he walked with a limp. today, the Soviet Union is truly the god that limps. While the military capabilities that come from fire and the forge elevate it to superpower status, it is a colossus that cannot feed its own people. Economically ailing, its rate of real economic growth has actually declined at a steady rate over the past two decades. It is ruled by a lumbering and ossified bureaucracy. The cronyism institutionalized during the Brezhnev years made upward mobility nonexistent and stifled creativity. Unrest among internal Soviet nationalities makes the Soviet Union a simmering cauldron. Black marketeering is rampant. Alcoholism is openly acknowledged to be a national epidemic.

Soviet recognition that a new and young leadership was needed manifested itself when 73-year-old leader Konstantin Chernenko finally passed from the scene on March 10, 1985. Announcement of his death was so anticlimactic that it was carried on page 2 of Pravda. The front page news was that the mantle of leadership had officially passed to the Politburo's youngest member, 54-year-old Mikhail Gorbachev.

From one death watch to another, the Soviet Union poured more and more money into weapons causing the Soviet system to slump into further decay. Indeed, there was a time in the

early '70s when Sakharov and Amalrik were questioning whether the Soviet Union could survive until 1984. Thus, there was perhaps a deep psychological need in both the Soviet Union and the West to look upon Gorbachev's arrival on the scene as as a breath of fresh air. Both hope to find in Gorbachev a new vitality, and to provide for the Soviet Union a new direction. Many in the West hope that he can restrain his country's foreign policy appetites and restore sanity to the growth of their nuclear force structures. At home, many Soviets undoubtedly hope he can raise their standard of living and bring their country economically into the twentieth century.

Can these hopes be realized? Do the first hundred days match the picture of the forceful and vigorous reformer who, under the American system, could be expected to turn things around? The answer lies not so much in the man himself -- though he is quite remarkable -- as in the nature of the collective leadership he serves. A new leader in the Soviet system, in contrast to a newly elected US president, does not bring several hundreds of new people along with him. Instead a Soviet leader works with a bureaucracy he inherits, and only gradually makes changes which make it responsive to him.

Accordingly, what we see going on in the Soviet Union is a struggle to change the faces of the Politburo. But it will change its superficial nature slowly, and may never change

its fundamental nature. The fact that Gorbachev -- at least to outside observers --- presided over the smoothest succession in Soviet history does not alter the basic objective of the Politburo -- its continuity. Gorbachev was elected because the Politburo recognized that it needed to be rejuvenated; but those who elected him would like to remain members of the team, and, in the end, to survive.

To be sure, the means of succession have changed. Anyone familiar with the political graveyards of the 30s, 40s and early 50s can remember that Trotsky was exiled and ultimately murdered, that Kirov was assassinated, Zhdanov died under mysterious circumstances, and Kamenev, Zinoviev, Kuznetsov, Vosnesensky and Beria were all shot. The list is endless. Emphasis on the use of terror has been replaced by a reliance on natural attrition. Yet the succession process continues to foster and preserve the same objective -- a small entrenched collective leadership dedicated to continuity. The difference is that in recent years the collective has kept itself alive. It is from this one central fact that all Soviet policies derive.

This notion of ruling through collective leadership has its roots deep in Russian history. In fact, it predates the tsars and was the way early Russian society was ruled at the time of the arrival of the Varangians. From the middle of the eleventh century, decisionmaking of the principalities was influenced by the veche, a group of leaders roughly

paralleled the modern Politburo, which on occasion expelled princes just as the Politburo expelled Khrushchev. The General Secretary, Khrushchev, like his successors, who in many ways has the power in modern-day Soviet leadership comparable to the princes of the Kievian era. Similarly, the power of the early princes rested upon, in an even broader sense, the support of the druzhina, an early analogue of the modern-day nomenclatura, which allocates power and influence throughout the Soviet Union. Be this as it may, the veche, by its actions, preserved the oligarchy just as its modern counterparts.

The modern-day collective leadership, just as the tsars did before it, has had to conjure up external threats to help justify its own legitimacy. The collective leadership of the Soviet Union since Stalin has made repeated attempts to improve its productive efficiency. But for Gorbachev to attempt a major economic reform would be to break the bubble of Marxist-Leninism, which also serves to legitimize the gerontocracy. As a result, the stagnant and overarmed country cannot leap forward, it can only keep sputtering along.

Following Brezhnev's death in November 1982, Yuriy Andropov was "elected" first among equals by this leadership. Even though Brezhnev's health was precarious for many months and his death anticipated, when he did finally expire, Soviet troops were placed on alert until well

after Andropov assumed control. This pattern was repeated on February 9, 1984, when Andropov died. However, when General Secretary Chernenko died on March 10, 1985, the mood within the Soviet Union was not only one of indifference, but almost one of relief. It is now clear that Chernenko's death had been expected for some time and that steps were taken while he was still alive in anticipation of the change. Indeed, in his speech nominating Gorbachev as the new leader, Gromyko stressed repeatedly that Gorbachev had played a key role in running the country before Chernenko died. Gromyko even revealed that Gorbachev had chaired Politburo meetings in Chernenko's absence,adding that he had performed "brilliantly."

In hindsight, we can see that Gorbachev skillfully maneuvered within the power structure so that the passing of the baton to him at Chernenko's death was swift and certain. But Gorbachev was probably also aided by a powerful patron, Yuriy Andropov, who made a deathbed deal with the collective leadership which assured that Gorbachev would ultimately become the nation's leader. Key Gorbachev supporters were moved into place even before Chernenko's death. Nine key personnel shifts occurred in the last three months of Chernenko's tenure -- all Andropov proteges and all affiliated with Gorbachev. We can only surmise that Gorbachev must have had a guardian angel someplace. Gorbachev had presided over a series of agricultural failures, as

one wag put it, unprecedented since the days of Joseph and the Pharaoh. For Gorbachev still to come out on top suggests that there is something remarkable about him, considering the fact that his predecessor in the agriculture job, Kulakov, reputedly committed suicide for more modest crop failures.

Chernenko's long sickness probably meant that Gorbachev was firmly entrenched in the role of interim leader by the time of his visit to the United Kingdom from December 15th to the 21st of 1984. One can posit that Gorbachev's first hundred days can actually be counted as coinciding with Chernenko's last one hundred days. To be sure, Gorbachev was the highest ranking Soviet leader to visit the United Kingdom since Prime Minister Alexei Kosygin went there in 1967. Some watchful Kremlinologist saw this as a sign that Gorbachev would take over. Orwell was right; the year 1984 did foreshadow a change.

In many respects, Chernenko's death finally broke the hold Brezhnev's proteges had on the Politburo. Gorbachev had actually been groomed by Andropov for a number of years. Indeed, their relationship goes back to the time the elder Soviet took his vacations in Stavropol where Gorbachev was Party boss. Gorbachev's ascension may have also been aided behind the scenes by supreme ideologist Mikhail Suslov.

My guess is that additional members of the Brezhnev clique will continue to be quietly retired with full honors between now and the 27th Party Congress in February 1986. In the meantime, Gorbachev is still in the process of becoming more than first among equals. Gorbachev's quick elevation of Viktor Chebrikov, 61, Yegor Ligachev, 64, and Nikolai Ryzhkov, 54, raises the number of Andropov proteges on the Politburo to seven out of thirteen, the remainder being the Brezhnev hold-overs. It is now being widely speculated that Ligachev may in fact be the number-two in power. Like Gorbachev he seems to have been watched over by both Andropov and Suslov. Chebrikov, as head of the KGB, also had a long affiliation with Andropov. By the time the Party Congress opens, Gorbachev should have consolidated his internal position to such an extent that he will, after the 27th Party Congress, in fact become the unquestioned titular head of State as well as Party leader. Once this takes place, he will have somewhat more latitude in playing an influential role in arms control and foreign policy. This will be construed by many in the West as a personal power play by Gorbachev. However, closer students of the Kremlin will understand that it is merely an evolution in the character of the collective leadership.

Even though the Brezhnevites continue to follow Chernenko into oblivion, United States leaders should not, for the short

term, expect much new in arms control until the collective leadership has put Gorbachev's men in key places. In the meantime, because of the Soviets' strong penchant for continuity and because some mileage can still be extracted therefrom, Gorbachev is continuing the public line that was adopted by the Soviets following the NATO dual-track decision of 1979. This decision was that US missiles should be deployed in Europe in response to the Soviet SS-20 threat and to seek arms control negotiations to negate that threat. The Soviets' approach was based on the hypothesis that NATO could be split from the United States over the issue of deployment of missiles in Europe. However, while it was obvious to the West that this policy was no longer working, the Soviets were incapable of shifting gears and did not have another issue to use to try to split NATO. Under the circumstances, a decision was made, probably, by Gorbachev to seek steps leading to the resumption of arms control negotations in 1985.

In 1984, the Soviets added a new issue to their campaign designed to drive a wedge between the US and the NATO Allies, namely, the Strategic Defense Initiative (SDI). Still the Soviets' first attempt to move toward this new policy proved abortive. We will recall that the Soviets made the US an offer in June 1984 to meet in Vienna on September 15 to discuss "space arms." However, our almost immediate reply caught the Soviets off guard and the Soviets fumbled. Apparently, they had not

expected a reply so quickly, and every time we repeated our "yes" they attached another preconcondition. As Britain's Foreign Minister remarked at the time, it seems that the Soviets just couldn't take "yes" for an answer.

It may be that this event gave Gorbachev the opportunity he was looking for. Perhaps he began exerting a dominant influence within the Politburo after he saw how clumsily the Soviets' offer in June was handled. Indeed, we can speculate that he was the one who approved -- if not the one who masterminded -- the Soviets' followup offer in mid-November. This second offer resulted in the joint statement on November 22 which said that Secretary Shultz would meet Foreign Minister Gromyko in Geneva in early January.

In the fall of 1984, Chernenko's health began to fail rapidly. For seven weeks, Chernenko had dropped out of sight, supposedly, accordingly to the Soviet press, on vacation. In perhaps no other way can the stark difference between the closed society of the Soviet Union and the open society of the United States be more apparent. In the United States it is inconceivable that President Reagan could drop out of sight for even seven hours. To do so for seven days would be unthinkable, for seven weeks impossible. In January and February of this year, the Soviets twice went through the charade of parading Chernenko in public

although on both occasions he appeared to be in frail health. It was clear that his illness was terminal.

During this same time, Gorbachev was seen more prominently in public. In December, of course, he took his highly successful trip to London where he and his attractive wife Raisa captivated their British audience. Following his London trip, there were stories in the press that Gorbachev might visit the United States. But Chernenko's worsening health undoubtedly prevented Gorbachev from traveling abroad.

We can't, of course, know for certain that Gorbachev was making the key decisions in the Politburo on Soviet foreign policy and arms control matters in January of 1985. My personal guess, as I have suggested, is that he was.

Whatever the competition for the mantle of leadership, the Soviets' desire to put on a solid face by the collective leadership was evident. In his speech nominating Gorbachev, Gromyko alluded to the need to show unity in the fact of prying foreign eyes. The fact that Gromyko displayed a confident attitude at this time helped achieve this objective.

As for Gromyko, we can surmise that he had a relatively free hand tactically. It might be that Gromyko was in fact making his own decisions within the limits decided upon by the Politburo, since anything other would amount to a real

break with Soviet tradition. The collective approach to Soviet policy is highly ingrained, and even a seasoned diplomat like Gromyko will not act outside the bound of his instructions.

Nevertheless, it is becoming increasingly clear that Gorbachev was, during the last weeks before Chernenko died, playing an increasingly influential role in the Soviet Union's arms control decisionmaking apparatus. Our best piece of evidence comes from a Senior Soviet arms negotiator who said, on the day after Chernenko died, that the Soviet team's instructions had been given them by Gorbachev the week before the negotiations began.

Although this is the first time that a Soviet official had mentioned names (this had never been the case when I negotiated throughout 1982 and 1983), it is not the first time that a Soviet negotiator had gone out of his way to impress on Westerners the importance of continuity and collectivity in the Soviet leadership. In November 1982, during SALT II, I had invited the Soviet negotiating team to a cocktail party which had been scheduled to take place the day after Brezhnev died. The day Brezhnev died I called to express my condolences and told him I was cancelling the scheduled party. The Soviet thanked me, but asked that I not cancel the party. "We do a lot of business at these parties," a Soviet official said, "and we would like to go ahead with it. As a matter of respect for General Secretary

Brezhnev," he added, "we will not bring our wives." Our party did, in fact, go ahead on schedule as a stag affair. As one Soviet negotiator put it, their wives were left home to mourn Brezhnev's passing.

Although Gorbachev was no doubt playing the dominant role in the Politburo prior to his formal assumption of power, I do not mean to imply that he decided that serious negotiations would be in the offing. It is painfully obvious in the Geneva negotiations that there apparently were no Soviet policy changes for the "new" negotiations. In fact, in all three areas: START, INF, and Defense and Space, the Soviet approach has been to revert to earlier, harder positions.

At the same time that the "new" negotiations were going on in Geneva, General Secretary Gorbachev attempted on several occasions to influence public opinion on arms control. First, he issued his Easter Day moratorium, a statement that was nothing more than a warmed-over version of offers the Soviets had made in 1982 and 1983. In fact, the same moratorium proposal had been made several weeks earlier in the Geneva negotiations but not disclosed publicly because of the confidentiality agreement entered into between the two Chief Negotiators. That Gorbachev chose to make this public on Easter Day, with all the implications of a "new beginning, a new dawning" in order to assist the various "peace demonstrations," make it

clear that Gorbachev was eager to try his hands at influencing Western public opinion. His Easter moratorium proposal laid an egg.

Gorbachev again took to the bully pulpit on April 23, the very day that the first round of the new arms control negotiations came to a close. Gorbachev publicly blamed the US for the lack of progress in the talks. Here, Gorbachev was doing nothing more than turning up the pressure, taking the offensive publicly in order to divert attention from Soviet actions to the contrary. This is a standard Soviet negotiating technique.

What can we conclude about Gorbachev's approach to arms control during his "official first 100 days?"

First, Gorbachev was too preoccupied with consolidating his power base to pay much attention to arms control. It is true that Gorbachev has quickly placed two of his allies, Ligachev and Ryzhkov, the two most junior members of the Secretariat, into the Politburo as full members. Additional clues as to Gorbachev's priorities and which way he will mold the Soviet leadership will come from the pattern of his future appointments. But the way the appointments are running right now, it appears that he will focus on domestic issues before he embarks on any major foreign initiatives. Further, the luxury of having the experienced Foreign Minister, Gromyko, managing arms control may have allowed

Gorbachev to focus on issues at home. Though the new foreign minister, Shevernadze has little experience. Gorbachev can still take his time in foreign affairs, in general, and arms control in particular. Gromyko, despite rumors to the contrary, apparently was never a serious competitor for Gorbachev's job and did not threaten the latter's position. In fact, to move up to the Presidency could still give Gromyko a major role in Soviet foreign policy decisions. In the meantime, Gorbachev will do what comes most naturally to any leader and Soviets leaders particularly, in a time of flux and realignment: simply continuing past policies and thereby exercising continuity.

Second, it may be that the Soviets have made an assessment of the "correlation of forces" and decided that they are ahead in all areas of strategic power: long-range and intermediate offensive weapons and defenses against them as well. As a consequence, the Soviet leaders may have decided that they do not need to press ahead on arms control. Instead, they may have decided that they have nothing to lose by engaging in the arms control process, so long as they are careful not to enter into agreements that are unfavorable to the Soviet Union.

Finally, Gorbachev may have decided that now is the time to test the will and patience of the United States. Soviet leaders are certainly aware that President Reagan has had a difficult time getting his defense proposals

through the Congress. Gorbachev may be convinced that he needs to do nothing at this stage, that things are going his way without any effort on the Soviets' part.

As is usually the case with Soviet leaders, Gorbachev's approach is probably a combination of all three of the above.

What should we conclude from all of the above?

First, Gorbachev, more vigorous and public than his predecessors, has been able to achieve the smoothest transition to power to date in the Soviet Union.

Second, the Soviets place great faith in consistency and patience. They have learned from past experience to anticipate that sooner or later that the West, if the Soviets do nothing, will move toward the Soviet view.

Third, for the short run, the Soviets may believe they have nothing to gain from allowing progress to be made in arms control.

Fourth, while the Soviets firmly believe in collective leadership, Gorbachev's rapid emergence as first amongst equals could set him apart. He appears to have started, and might be able to achieve much desired domestic reforms in Soviet economy. But as for major changes in the Soviets' approach to arms control, he will have to wait until after the Party Congress next year.

Fifth, Gorbachev may well be planning to test his public relations skills to see if he can achieve, by influencing Western publics, have to accomplish through negotiations.

Based on the track record of Gorbachev's first 100 days, what can we be led to expect from him in the future?

The honest answer is that we shall simply have to wait and see. We certainly have no evidence yet to support the view that Gorbachev is a foreign policy reformer anxious for change. We should not expect a new, enlightened and conciliatory approach to arms control.

As to what we should do in the meantime, we in the West must learn to be realistic, objective and patient. We should not undertake further US initiatives unless they would clearly serve our interests by making them now. We should continue to explain that adopting our existing proposals would serve the mutual current interests of both the United States and the Soviet Union. We should, above all, act prudently.

Meanwhile, we can hope that the Soviet leaders will sooner or later see that it is in their own interest to enter into arms control agreements which significantly reduce the risk of nuclear war. One would hope that the Soviet Union would come to this realization sooner rather than later. They would benefit, we would benefit, and the entire world would benefit.

In the final analysis, the Soviet Union remains the Soviet Union. And, in a sense, Stalin and all of his heirs were reformers who ended up nearly destroying the system or being destroyed by it themselves. Whether Mikhail Gorbachev succeeds where all the others have failed remains a great unanswered question.